

**ARAB AFRICAN INTERNATIONAL BANK**  
**(EGYPTIAN JOINT STOCK COMPANY)**  
**SEPARATE STATEMENT OF CASH FLOWS**  
**FOR THE PERIOD END AS At 30 JUNE 2011**

	<u>Note</u>	<u>30-Jun-2011</u>	<u>30-Jun-2010</u>
		<u>US\$ '000</u>	<u>US\$ '000</u>
<b><u>Cash Flows from Operating Activities</u></b>			
Profit before income tax		87,558	93,392
<b><u>Adjustments to reconcile net profit to net cash provided from operating activities</u></b>			
Depreciation and Amortization		3,874	3,681
Impairment charge for credit losses		1,380	(2,735)
Other provision charges		788	(225)
Gain on sale of financial assets available for sale		(4,539)	(376)
Impairment Gain (Losses) in Financial Investments Available for Sale		-	413
Foreign currencies revaluation differences of provisions other than loan loss provision		2,872	7,649
<b>Operating profit before changes in assets and liabilities provided from operating activities</b>		<b>91,933</b>	<b>101,799</b>
<b><u>Net Decrease (Increase) in Assets and Liabilities</u></b>			
Due from banks		305,950	324,315
Treasury bills		(54,124)	642,747
Held for trading investments		6,619	1,987
Loans and advances to customers		488,396	(250,871)
Derivative financial instruments (net)		(33)	(52)
Other assets		(16,172)	3,228
Due to banks		(361,698)	(701,806)
Customers' deposits		(683,208)	(181,874)
Other liabilities		51,485	(9,237)
Income taxes paid		(9,807)	(22,886)
<b>Net cash flows used in operating activities</b>	<b>(1)</b>	<b>(180,659)</b>	<b>(92,650)</b>
<b><u>Cash Flows from Investing Activities</u></b>			
Purchase securities other than trading		(47,941)	(15,894)
Sale / redemption of securities other than trading		22,607	21,322
Investments in subsidiaries and associates		(5,120)	(7,524)
Purchase of fixed assets and branches leasehold improvements		(1,639)	(4,706)
<b>Net cash flows used in investing activities</b>	<b>(2)</b>	<b>(32,093)</b>	<b>(6,802)</b>
<b><u>Cash Flows from Financing Activities</u></b>			
Cash dividends paid		(30,200)	(36,200)
Loans from banks		-	20,945
<b>Net cash flows used in financing activities</b>	<b>(3)</b>	<b>(30,200)</b>	<b>(15,255)</b>
<b>Net Decrease in cash and cash equivalents during the period</b>	<b>(1+2+3)</b>	<b>(242,952)</b>	<b>(114,707)</b>
Cash and cash equivalents at the beginning of the period		788,013	872,235
<b>Cash and cash equivalents at the end of the period</b>		<b>545,061</b>	<b>757,528</b>
<b><u>Cash and cash equivalents are represented in:</u></b>			
Cash and due from Central Banks		432,385	632,311
Due from banks		1,487,681	926,224
Treasury bills		1,381,492	1,198,983
Deposits with banks		(1,394,323)	(882,715)
Treasury bills (matured over than three months)		(1,362,174)	(1,117,275)
<b>Cash and cash equivalents at the end of the year</b>	<b>(42)</b>	<b>545,061</b>	<b>757,528</b>

\* The accompanying notes from page (6) to (67) form an integral part of these financial statements and are to be read therewith .